

# **Idaho State University**

**NCAA Agreed-Upon Procedures Report  
for the Year Ended June 30, 2005**

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Dr. Michael Gallagher  
Interim President  
Idaho State University  
Pocatello, Idaho

Idaho State Board of Education  
Boise, Idaho

We have performed the procedures enumerated below, which were agreed to by the Idaho State Board of Education, solely to assist Idaho State University (the "University") Intercollegiate Athletics Department (the "Department") in complying with the NCAA Bylaw 6.2.3.1 for the year ended June 30, 2005. The University is responsible for the Schedule of Revenues and Expenditures (the "Schedule") and the Schedule's compliance with Bylaw 6.2.3.1. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

**Internal Control: Policies and Procedures Related to Department – Agreed Upon Procedures**

1. We selected a random sample of four team travel expense reimbursements forms, from four different sports, that included team per diem meal reimbursements. We inspected the reimbursement forms to determine if financial management is monitoring expenses for compliance with established allowable expense guidelines. For the sample we selected, we found that financial management is monitoring expenses for compliance with established allowable expenditure guidelines. No exceptions were identified.
2. We selected a random sample of two travel card statements of the department. We inspected the travel card statements to determine if financial management is monitoring expenses for compliance with established allowable expense guidelines. No exceptions were identified.

**External Organizations – Agreed Upon Procedures**

1. We obtained a listing from management of outside organizations that made contributions directly to the Department.

2. We confirmed with outside organizations (Idaho State University Foundation) the total contributions made to the Department for the year ended June 30, 2005, and compared these to revenues recorded by the Department in the general ledger. We noted that the contributions reported by the Foundation agreed to amounts recorded by the Department.
3. We obtained and read the audited financial statements for the Idaho State University Foundation for the year ended June 30, 2005. In addition, we inquired of officials at the Foundation and noted that they were not aware of any reports regarding matters related to internal control.
4. We confirmed with the Foundation that there were no expenditures paid by the Foundation on behalf of the Department.

#### **Capital Assets, Additions and Improvements of Facilities**

1. We were not able to obtain a listing of total intercollegiate athletics capitalized assets, additions and improvements of facilities summarized by type. This is due to the fact that there are no capitalized assets recorded by the Department.
2. We obtained the institution's policies and procedures for acquiring, approving, depreciating and disposing of intercollegiate athletics related assets and agreed to the notes to the statement of revenues and expenditures.
3. We were not able to select significant capitalized additions made by the Department during the reporting period (greater than 10% of total capital additions) and agree the recorded cost of each selection to supporting documentation because there are no capitalized assets recorded by the Department.

#### **Schedule of Revenues and Expenditures – Agreed Upon Procedures**

1. We obtained the Schedule of Revenues and Expenditures prepared by management for the year ended June 30, 2005, which is attached to this report. We proved the arithmetical accuracy of the Schedule and compared the amounts in the Schedule to applicable accounts in the Department's general ledger and found them to be in agreement.
2. We compared revenues and expenditures in the Schedule for the year ended June 30, 2005 to revenues and expenditures in the Schedule of Revenues and Expenditures for the year ended June 30, 2004 and discussed the differences with the Department's management. We obtained explanations for all variances between current year and prior year revenues and expenditures in excess of \$100,000.
3. We compared revenues and expenditures in the Schedule to budgeted amounts for the year ended June 30, 2005. We obtained explanations for all variances between budget and actual revenues and expenditures in excess of \$100,000.

**Minimum procedures for Revenues and Expenditures**

1. We compared and agreed each operating revenue category reported in the Schedule during the reporting period to supporting schedules provided by the institution and found them to be in agreement.
2. We selected a random sample of 5 athletic operating revenue receipts. We compared and agreed the sample items to supporting documentation and found them to be in agreement.
3. We compared the value of tickets sold during the reporting period, complimentary tickets provided during the reporting period, and unsold tickets, to the related revenue reported by the institution in the Schedule and the related attendance figures. No exceptions were noted.
4. We recalculated totals for tickets sold during the reporting period presented in the Schedule without exception.
5. We compared direct institutional support for athletics recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation. No exceptions were noted.
6. We recalculated direct state or other governmental support totals presented in the Schedule without exception.
7. We compared and agreed broadcast, television, radio, and internet rights revenues to the institution's general ledger, and the Schedule without exception.
8. We recalculated broadcast, television, radio, and internet rights revenues presented in the Schedule without exception.
9. We obtained a listing of sports camp participants and randomly selected 5 individual camp participant cash receipts. We agreed each selection to the institution's general ledger and found them to be in agreement.
10. We recalculated sports-camp revenue totals presented in the Schedule without exception.
11. We compared and agreed each operating expense category reported in the Schedule during the reporting period to supporting documentation provided by the institution and found them to be in agreement.
12. We selected a random sample of 5 athletic operating expense receipts. We compared and agreed the sample to supporting documentation and found them to be in agreement.
13. We recalculated totals for each major expense account reported in the Schedule without exception.
14. We selected a random sample of 5 student athletes from the listing of institutional student aid recipients during the reporting period. We obtained individual student-account detail for each selection and compared total aid allocated from the related aid award letter to the student and found them to be in agreement.
15. We recalculated totals for athletic student aid presented in the Schedule without exception.

16. We selected a random sample of 5 athletic support staff/administrative personnel employed by the institution and related parties during the reporting period. We compared and agreed related W-2s, 1099s, etc. to the related support staff/administrative salaries, benefits and bonuses paid by the institution and recorded as an expense by the institution in the Schedule during the reporting period without exception.
17. We recalculated support staff/administrative salaries, benefits and bonuses paid by the institution and related entities reported in the Schedule without exception.
18. We were not able to select a sample of game related expenses and agree each expense to supporting documentation as the Department does not record any game related expenses. These expenses are incurred by third parties and not the University.
19. We did not recalculate totals for game expenses as none were recorded.
20. We selected a random sample of 5 direct facilities, maintenance and rental expenses and agreed them to supporting documentation without error.
21. We recalculated totals for direct facilities, maintenance and rental expenses presented in the Schedule without error.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the compliance of the accompanying Schedule of Revenues and Expenditures of Intercollegiate Athletics at Idaho State University. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the management of the University, the Idaho State Board of Education, and authorized representatives of the NCAA and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Eugene, Oregon  
September 25, 2005

**IDAHO STATE UNIVERSITY**  
INTERCOLLEGIATE ATHLETICS DEPARTMENT  
SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2005 (UNAUDITED)

	FOOTBALL	MEN'S BASKETBALL	OTHER MEN'S SPORTS	WOMEN'S BASKETBALL	WOMEN'S VOLLEYBALL	OTHER WOMEN'S SPORTS	NON-PROGRAM SPECIFIC	Totals
TICKET SALES	167,432	103,776	2,894	18,241	2,796	7,409	817	303,363
TOURNAMENT/BOWL/CONF RECEIPTS		10,000	0	5,048		0	379,603	394,651
MEDIA/BROADCAST RECEIPTS	4,300	0	0	0		0	0	4,300
CONCESSIONS/PROGRAMS/PARKING/ADV	1,824	150	386	632	564	1,881	541,564	547,001
GAME GUARANTEES	190,000	80,000	0	17,500	0	0	0	287,500
FOUNDATION/CLUB/PRIVATE DONATIONS	104,744	20,532	4,994	21,205	10,866	8,430	0	511,670
STUDENT FEES		0	0	0		0	1,896,971	1,896,971
APPROPRIATED FUNDS	488,649	249,971	115,220	220,267	122,439	513,813	0	2,502,359
INSTITUTIONAL SUPPORT		0	0	0		0	344,200	344,200
CAMPS AND CLINICS	50,894	16,301	0	5,190	14,750	22,490	22,178	131,802
OTHER	8,656	2,513	5,425	1,826	1,814	9,502	0	29,736
Total operating revenues	1,016,499	483,242	128,919	289,909	153,229	583,337	4,318,231	6,953,554
EXPENSES:								
COACHES' SALARIES AND BONUSES	403,013	183,872	84,784	136,478	75,557	193,966	114,480	1,192,150
OTHER SALARIES AND WAGES	31,288	15,421	9,367	11,717	8,726	10,644	885,106	972,269
FRINGE BENEFITS	146,072	63,018	33,291	55,392	23,888	67,934	296,092	685,686
ATHLETIC SCHOLARSHIPS/GRANTS	566,936	114,283	178,672	134,134	98,995	405,252	108,156	1,606,427
GAME GUARANTEES	20,000	16,000	0	3,500	0	0	0	39,500
MEDICAL INSURANCE/MED FEES		0	0	0		0	230,887	230,887
TEAM TRAVEL	227,441	69,813	99,249	66,406	45,790	102,918	5,982	617,600
RECRUITING TRAVEL	87,216	28,417	9,432	29,909	8,138	23,150	25,163	211,425
ATHLETIC SUPPLIES	182,372	96,470	30,656	83,152	57,333	74,708	483,734	1,008,425
FACILITY CHARGES		0	0	0		0	85,000	85,000
OTHER OPERATING EXPENDITURES	81,385	37,942	3,464	18,755	13,798	17,774	138,235	311,352
CAPITAL OUTLAY	3,463	2,562	7,575	5,027	4,336	11,229	27,641	61,834
Total operating expenditures	1,749,186	627,798	456,490	544,469	336,562	903,779	2,400,475	7,022,556
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(732,687)</u>	<u>(144,556)</u>	<u>(327,571)</u>	<u>(254,560)</u>	<u>(183,333)</u>	<u>(340,442)</u>	<u>1,917,755</u>	<u>(69,002)</u>
VALUE OF NONRESIDENT FEE WAIVERS	371,700	56,640	99,120	88,500	67,260	159,300	7,080	849,600

# IDAHO STATE UNIVERSITY

## INTERCOLLEGIATE ATHLETICS DEPARTMENT NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES YEAR ENDED JUNE 30, 2005 (UNAUDITED)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Revenues and Expenditures has been prepared using the cash basis of accounting.

### 2. I.S.U. BENGAL FOUNDATION

The University has one booster organization established on behalf of the intercollegiate athletic programs. The sole purpose and activity of the I.S.U. Bengal Foundation, Inc. is generating monies, goods and services for the Idaho State University intercollegiate athletic programs. The I.S.U. Bengal Foundation receives its contributions from individuals through a variety of fund raising activities such as membership dues, auctions golf outings, etc. For the year ended June 30, 2005, the I.S.U. Bengal Foundation contributed \$316,600 to the University's intercollegiate athletics programs.

### 3. STUDENT FEES

A portion of fees paid by students is designated for athletics in accordance with the fee schedule approved by the State Board of Education. The University does not allocate these fees to individual sports. Accordingly, they are recorded under non-program specific revenues in the accompanying Schedule of Revenues and Expenditures.

### 4. CAPITAL ASSETS

In the accompanying Schedule of Revenues and Expenditures the cost of capital assets are expended in full. There is no depreciation reflected in the statements.